unica
An IBM Company

The Interactive Marketing eBook

It's All About the Journey

Interactive Marketing means engaging each customer and prospect in a cross-channel dialogue that builds upon his or her past and current behavior.

As you travel through this eBook and upcoming communications you can explore the Interactive Marketing essentials of cross channel marketing, sophisticated email marketing, proven website personalization strategies, and new approaches to data that will improve your ability to market to individuals or specific segments of customers and prospects.

Facing an unprecedented pace of change, you, like many marketers, may be struggling to create meaningful conversations with your audience. While you may be turning up the volume, if you are still using push strategies to shout out your messages, your buyers may be tuning out. At the same time, the demands for marketing accountability and demonstrated return on investment are rising – putting more pressure on you and your team. Luckily, today's environment offers exciting new opportunities for you to reach and engage customers and prospects in a continuous conversation that is timely, relevant, and welcome. That is what Interactive Marketing is all about.

Plotting your journey to Interactive Marketing can help you respond coherently, leveraging the extraordinary power of both personalization and interactivity. But, what does Interactive Marketing really mean? It means engaging each customer and prospect in a cross-channel dialogue that builds upon his or her past and current behavior.

In the following pages, you will learn how the right Interactive Marketing solution can help you engage each customer in a two-way, interactive dialogue that:

- Builds upon past behavior
- Adapts based on current behavior, context, and each customer's reaction to each new message
- Consistently delivers the most compelling message to each customer, in the best inbound or outbound channel, at the perfect moment

FUNDAMENTAL CHANGES IN THE MARKETING LANDSCAPE MAKE CONVENTIONAL MARKETING A DEADEND

With the decline of traditional marketing channels and the rise of online and social channels, your customer is wielding greater control of your dialogue. Fundamental shifts are impacting your ability to market successfully.

Mass Media and Push Strategies Are Dead.

Mass media channels have lost their reach as consumers exercise more personal choice. Response rates to traditional outbound direct channels are plummeting, and highly personal direct channels are poorly suited to traditional "push" strategies. With an enormous and increasingly sophisticated audience to draw upon, online is becoming a richer, far more social medium.

The Growth of Online, Mobile, and Social Channels Points to Personalization.

Virtually all marketing channels, from websites to search sites and more, now support targeted or individualized communication with customers. Even mass market channels like television are offering on-demand programming services; geo-targeting is exploding as mobile devise usage grows. And the latest industry trends show that consumers are relying more on the recommendations of friends when making purchasing decisions.

Customers Are Empowered, and They're Using Their Power to Behave in Radical New Ways.

With unprecedented access to information online and the ability to easily cross channels at will, your customers have gained control over the marketing relationship and the flow of information – often at your expense as a marketer. You need strong cross-channel awareness of how each individual customer has responded to each of your messages, in every channel.

THE MARKETING LANDSCAPE IS CHANGING

75% of people don't believe companies tell the truth in advertising

53% of people on Twitter recommend companies and products

64% of consumers made a first purchase because of a digital experience

ARE YOUR MARKETING EFFORTS KEEPING PACE?

ONLY **6%** of marketers rate their digital marketing capabilities as excellent

63% of marketers believe traditional branding methods are losing their effectiveness

67% of marketers say lack of IT support is their number one bottleneck

FOUR ESSENTIALS FOR INTERACTIVE MARKETING

The essential technology characteristics to enable your transition to Interactive Marketing are:

1. Customer awareness
2. Centralized decisioning
3. Cross-channel execution
4. Integrated marketing operations.

1. IT ALL STARTS WITH LISTENING: CUSTOMER AWARENESS

Active listening is the ability to capture what a buyer is saying – both explicitly and implicitly. You need to capture a customer's behavior across all online and offline channels. Using this information to determine what to say next requires a technology solution that can leverage and process both a customer's history and present situation, identify actionable customer insights, alert you when potential customer opportunities arise, and predict marketing outcomes. To make all this possible, an Interactive Marketing solution brings together:

- **Customer analytics** that give you a visual analysis of customer behavior, preferences, and opportunities, and permits selection of customer groups for easy inclusion in targeted marketing initiatives, moving quickly from questions to insight to action – without programming or technical support

- **Web analytics** that help you understand what your customers are doing on your website, beginning with self-service analytics that allow you to improve marketing effectiveness by rapidly testing and enhancing your campaigns and website, and then also providing a rich set of behavioral data to uncover individual customers' unspoken intentions, so you can converse with them more effectively

- **Predictive analytics** that are designed for marketing specialists, not statisticians: easy tools for segmenting markets; predicting response, cross-sell and lifetime value; and determining exactly whom to target with which offers

- **Event detection** that can monitor each customer's transactional behavior patterns and set off triggers when meaningful changes occur that suggest a new opportunity, for example when someone abandons an online shopping cart, purchases a home, or asks to review the details of their contract cancellation clause – via your website or by phone

## 2. MEANINGFUL CONVERSATION: CENTRALIZED DECISIONING POINTS THE WAY

Imagine a conversation between two people. What if one person couldn't remember what the other had said a minute before? Or if they could only remember part of the discussion – like what was discussed on the phone, but not what had taken place over lunch? Such a conversation would be deeply frustrating and profoundly alienating. That's just how many customers feel when they converse with you across channels today.

In a conventional, decentralized marketing approach, your call center may have its own cross-sell rules, your website may use other behavioral targeting to personalize ads, while direct marketers may send out yet another offer. The result is chaotic communication at best, and at worst, your customer is disappointed by your lack of memory about their interactions with your brand.

That's why the ability to carry on a continuing dialogue over time and across channels is fundamental to Interactive Marketing. Centralized decisioning enables you to "think before you speak" to your customer, and speak based on a complete memory of your conversations with the customer to date. It's essential to engaging customers in an effective dialogue.

To make this happen, Interactive Marketing incorporates everything you have captured through your analytics and awareness strategies to drive:

- **Segmentation** capabilities that enable you to group customers by like characteristics or behavior, in order to treat them – and communicate with them – in the most appropriate way

- **Offer management** to choose which personalized message each customer should receive, at the best time, and via the best channel

- **Real-time targeting** combining the ability to select the best message or offer during live customer interactions while taking into account their moment-by-moment behavior, and learning algorithms and arbitration rules for optimizing customer messages in real-time channels

- **Interaction history** that creates a two-way memory of every marketing message and the customer's reaction to that message across all channels

- **Contact optimization** designed to help manage marketing communications over time against business objectives and resource constraints while avoiding customer overload
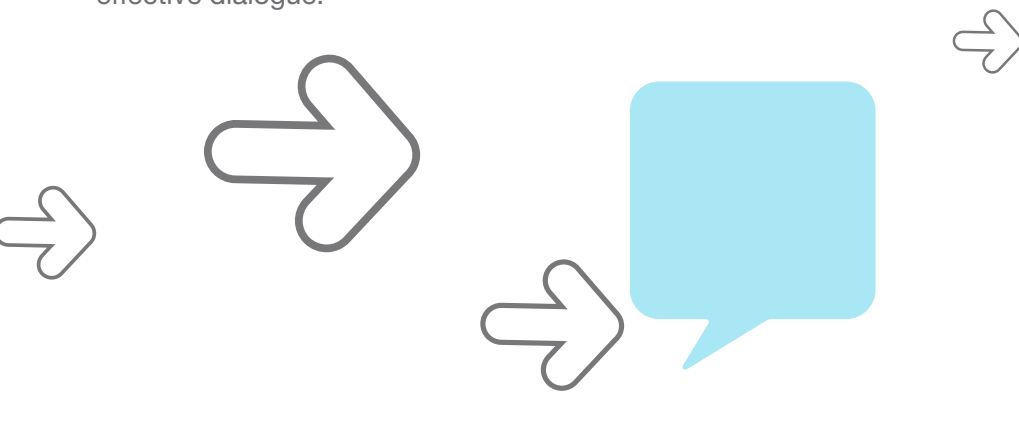
3. FLAWLESS CROSS-CHANNEL EXECUTION NEEDS AN INTEGRATED MARKETING PLATFORM

Traditional campaign management systems were often designed to support outbound push marketing. But today's customers seamlessly move across channels in the course of making a single buying decision. The most effective Interactive Marketing solution operates through any outbound or inbound channel with ease, and manages conversations that continue throughout as many interactions as necessary to help customers reach their goals. An effective Interactive Marketing solution offers capabilities that support flawless cross-channel execution including:

- **Outbound fulfillment** to support list creation for personalized, high-volume email execution, delivering mail-ready files to letter shops and fulfillment houses, and smooth integration with third-party vendors for fulfilling to any outbound channel

- **Inbound integration** to capture real-time contextual information from customer touch points – like websites, inbound customer service interactions, kiosks, and even face-to-face points-of-sale – and immediately present relevant offers during a current interactive session

- **Lead management** to capture, score, and rapidly route leads and responses to the correct marketing and sales contacts

Tip the scales in your favor when it comes to email deliverability:

- Develop relevant content that engages your audience

- Ensure proper rendering regardless of interface

- Manage frequency in line with customer needs

Conversely, you want to avoid these spoilers:

- Stay clear of bounce blocks and blacklists

- Apply permission tools scrupulously

- Resist excessive mailing frequency

Make sure your email lands in the inbox

Stay tuned for more email deliverability tips next month

4. GAINING TRACTION: AUTOMATED MARKETING OPERATIONS

All roads need a strong foundation – and the road to Interactive Marketing is no different. To increase your efficiency, and gain better control over your budget and processes, Interactive Marketing needs the foundational support provided by marketing operations capabilities. Align resources to objectives, streamline production processes, track budgets and expenses, and improve team collaboration – that's the kind of traction you need to complete the Interactive Marketing journey.

You can improve the operational efficiency and effectiveness of your marketing organization with an integrated marketing operations application:

- **Budgeting and forecasting** to create and allocate budgets, define performance objectives, then adjust plans as needed over time and see the impact of dialing spend up and down

- **Integrated campaign planning and execution** that brings the work of those who plan campaigns and those who execute them together into a single, collaborative environment

- **Expense management** to manage all aspects of marketing expenses from cost center definition to purchase order generation to invoice processing

- **Standardized workflow** that defines best-practice workflows and processes and ensure everyone on the marketing team uses them

- **Online approvals and electronic proofing** to automate the review process by using business rules to route approvals, review and mark-up documents, ensure that sign-offs are properly obtained, and log audit trails to meet regulatory compliance

GETTING THERE: IMPLEMENTING INTERACTIVE MARKETING ONE STEP AT A TIME

Wanting to transform your current marketing practices into Interactive Marketing is one thing, actually doing it is quite another. Implementing an Interactive Marketing solution is complex, affecting many systems, processes, and people across your organization. It's been compared to trying to eat an elephant. And if you approach it wrong or things go badly, the process might eat you instead. So how do you really do it? One bite at a time, one step at a time!

Taking an incremental approach to implementing Interactive Marketing requires a systematic approach to creating a transformation roadmap. There are two things you can do immediately to move towards Interactive Marketing:

Improve the sophistication of your targeting/dialoguing within each channel

Improving the sophistication of your targeting requires skills in data management, analytics, and enabling technologies. The advantages are fewer organizational barriers, demonstrable progress, and positive impact channel by channel. The limitations include the fact that you still can't leverage customer interactions from one channel to another, messages can be mixed or worse, contradictory – in essence, it's a better bullhorn, but not a better customer experience.

Increase the degree of integration between your channels

Tackling channel integration means moving from siloed channels (channel-centric marketing) to integrated channels (customer-centric) marketing where "integration" comprises shared segments, offers, interaction history, plans and budgets. To integrate your channels, the organization needs to break down the silos, or at least commit to working collaboratively across channels. Channel integration improves marketing effectiveness, and more importantly, creates a better customer experience. On the other hand, it's hard to do, especially without increasing targeting sophistication.
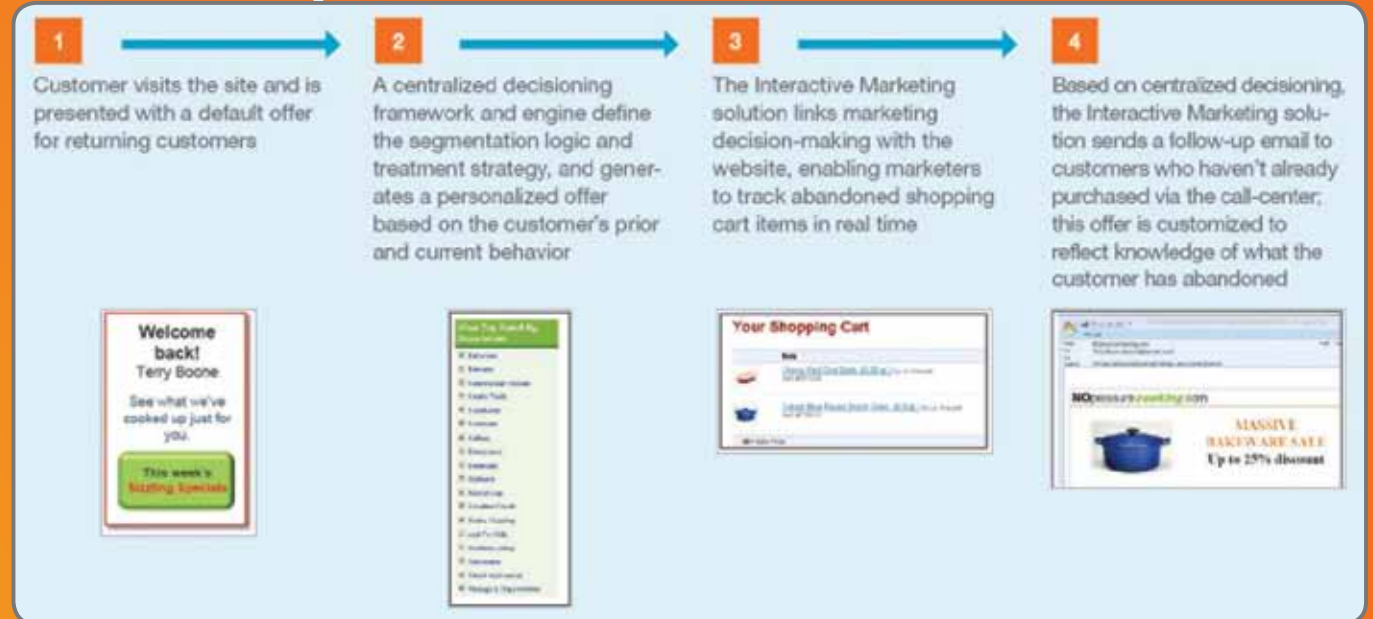
Unica's experience in Interactive Marketing implementations shows that improving the sophistication of your targeting is typically easier than achieving cross-channel integration.
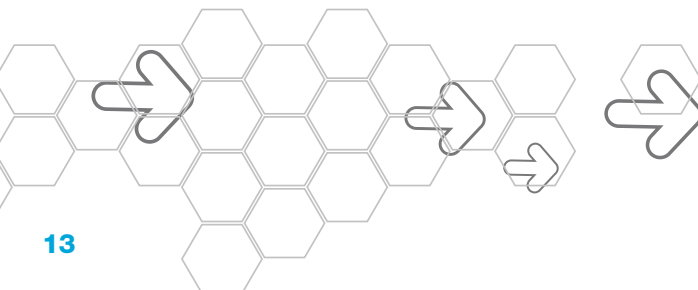
INTERACTIVE MARKETING IN ACTION:

Your customers benefit from a seamless, integrated experience that cuts across channels – Interactive Marketing keeps the conversation focused and timely. The following illustration show what real Interactive Marketing looks like – and how Unica's Interactive Marketing solution makes it easier to achieve.

INTERACTIVE MARKETING IN ONLINE RETAIL

1 Customer visits the site and is presented with a default offer for returning customers

2 A centralized decisioning framework and engine define the segmentation logic and treatment strategy, and generates a personalized offer based on the customer's prior and current behavior

3 The Interactive Marketing solution links marketing decision-making with the website, enabling marketers to track abandoned shopping cart items in real time

4 Based on centralized decisioning, the Interactive Marketing solution sends a follow-up email to customers who haven't already purchased via the call-center; this offer is customized to reflect knowledge of what the customer has abandoned

DESTINATION INTERACTIVE MARKETING:
UNICA'S MARKET LEADING APPROACH

Many marketing organizations, including yours, have probably already taken some steps on the journey to Interactive Marketing and seen some initial success. However, most marketing organizations struggle to reach the final destination of fully Interactive Marketing because it gets difficult to connect disparate technologies, siloed staff, and conventional processes. In short, it's a hard problem to solve.

An integrated suite of technologies, Unica's Interactive Marketing solution is a complete set of capabilities you can use to engage in personal, relevant marketing. With the ability to quickly analyze visitor and customer behavior, and design and deliver email and web content that's more personal, relevant, and effective, Unica's Interactive Marketing solution can help you build better relationships with your customers, improve your marketing results, increase the accountability of your marketing investments and reduce costs. Learn how Unica's approach to Interactive Marketing can help you engage your customers in meaningful cross-channel dialogues.
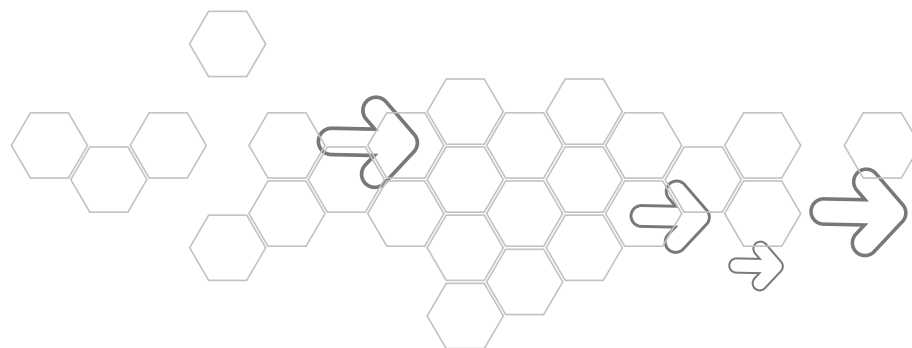
NEXT STOP SUCCESS: INTERACTIVE MARKETING DRIVES RESULTS

These snapshots reveal what some leading marketing organizations have achieved with Interactive Marketing:

Best Buy

Through careful customer analysis and targeted low cost email campaigns, Best Buy doubled Red Zone customer loyalty program membership in 3 months.

Citrix

By analyzing customer behavior and interests, Citrix optimized SEM investments and cut conversion costs by nearly 80%.

eBay

Web analytics helped eBay apply insights from online behavior to drive highly personalized, multi-channel marketing campaigns, and more profitable customer relationships, resulting in 113% improvement in email open rates and 285% increase in banner response rates.

SNS Bank

Achieved Interactive Marketing success by using the power of centralized decisioning to achieve consistent cross-channel communications and website personalization to boost revenue and customer loyalty.

Telefonica

Improved timing and relevance of offers helped Telefonica, the world's third largest telecommunications company, increase conversions by 20% and boost lifetime customer value.

ING

By delivering personalized offers to customers, ING raised response rates for savings programs to 60% and reduced marketing costs 35%.

Monster

Driven by Unica's campaign and email solutions, Monster grew business value by $3.09M due to improved resume acquisition, and reduced work to generate new campaigns by 80%.

For more examples of Interactive Marketing success, visit www.unica.com/customers

EPILOGUE

No matter where you are on your journey to Interactive Marketing, you can get there with the right marketing software solutions. When you achieve effective, efficient, measurable marketing that creates meaningful dialogue, you ensure increased lifetime customer value – and that's a good place to land.

This eBook reveals just some of the important steps along the journey. In the next few weeks, you will be invited to discover successful approaches to cross channel marketing, email deliverability, website personalization and data management.

For more information about Interactive Marketing, please contact Unica at

T +1.781.839.8000
E unica@unica.com

www.unica.com
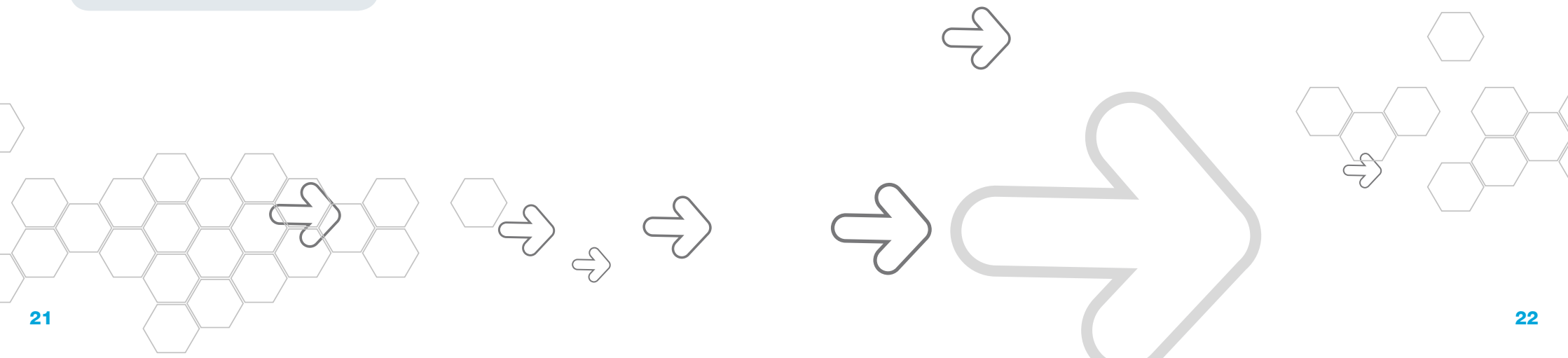
About Unica

Unica, an IBM Company, is the recognized leader in marketing software solutions. Unica's advanced set of enterprise marketing management and cloud-based marketing solutions empowers organizations and individuals to turn their passion for marketing into valuable customer relationships and more profitable, timely, and measurable business outcomes. These solutions integrate and streamline all aspects of online and offline marketing. Unica's unique interactive marketing approach incorporates customer analytics and web analytics, centralized decisioning, cross-channel execution, and integrated marketing operations. More than 1,500 organizations worldwide depend on Unica for their marketing management solutions. Unica is headquartered in Waltham, Massachusetts with offices around the globe. For more information, visit **www.unica.com**.

Unica, an IBM Company
Reservoir Place North
170 Tracer Lane
Waltham, MA 02451
USA

T +1.781.839.8000
F +1.781.890.0012
E unica@unica.com

www.unica.com

Australia
Belgium
France
Germany
India
Netherlands
Singapore
Spain
United Kingdom
United States

unica
An IBM Company